

JS 44 (Rev. 12/07)

## CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

## I. (a) PLAINTIFFS

Kamian Schwartzman, Court-appointed Receiver

(b) County of Residence of First Listed Plaintiff Philadelphia  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

J. Peter Shindel, Jr., Pietragallo Gordon Alfano Bosick & Raspanti,  
LLP, 1818 Market Street, Suite 3402, Philadelphia, PA 19103

## DEFENDANTS

JOMAC, LLC, et al.

County of Residence of First Listed Defendant  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE  
LAND INVOLVED.

Attorneys (If Known)

Unknown

## II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff  
☐ 2 U.S. Government Defendant  
☒ 3 Federal Question (U.S. Government Not a Party)  
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   |                            |                            |   |                            |                            |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
|   | PTF                        | DEF                        |   | PTF                        | DEF                        |
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

## IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act (Excl. Veterans) <input type="checkbox"/> 152 Recovery of Defaulted Student Loans <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

## V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding  
☐ 2 Removed from State Court  
☐ 3 Remanded from Appellate Court  
☐ 4 Reinstated or Reopened  
☐ 5 Transferred from another district (specify)  
☐ 6 Multidistrict Litigation  
☐ 7 Appeal to District Judge from Magistrate Judgment

## VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
28 U.S.C. Sections 754 and 1692

Brief description of cause:

Ancillary Complaint by Court-appointed Receiver

## VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23  
**DEMAND \$**

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No

## VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE Berle M. SchillerDOCKET NUMBER 10-cv-03130

DATE

09/23/2011

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

## UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: 1818 Market Street, Suite 3402, Philadelphia, PA 19103

Address of Defendant: 400 S. Colorado Blvd., Denver, CO 80246

Place of Accident, Incident or Transaction: Pennsylvania

(Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock?

(Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a))

Yes ☐ No ☒

Does this case involve multidistrict litigation possibilities?

Yes ☐ No ☒

RELATED CASE, IF ANY:

Case Number: 10-cv-03130

Judge Berle M. Schiller

Date Terminated: \_\_\_\_\_

Civil cases are deemed related when yes is answered to any of the following questions:

1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court?

Yes ☒ No ☐

2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court?

Yes ☒ No ☐

3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court?

Yes ☐ No ☒

4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights case filed by the same individual?

Yes ☐ No ☒

CIVIL: (Place ☒ in ONE CATEGORY ONLY)

A. Federal Question Cases:

1. ☐ Indemnity Contract, Marine Contract, and All Other Contracts
2. ☐ FELA
3. ☐ Jones Act-Personal Injury
4. ☐ Antitrust
5. ☐ Patent
6. ☐ Labor-Management Relations
7. ☐ Civil Rights
8. ☐ Habeas Corpus
9. ☒ Securities Act(s) Cases
10. ☐ Social Security Review Cases
11. ☐ All other Federal Question Cases  
(Please specify)

B. Diversity Jurisdiction Cases:

1. ☐ Insurance Contract and Other Contracts
2. ☐ Airplane Personal Injury
3. ☐ Assault, Defamation
4. ☐ Marine Personal Injury
5. ☐ Motor Vehicle Personal Injury
6. ☐ Other Personal Injury (Please specify)
7. ☐ Products Liability
8. ☐ Products Liability — Asbestos
9. ☐ All other Diversity Cases  
(Please specify)

## ARBITRATION CERTIFICATION

(Check Appropriate Category)

I, J. Peter Shindel, Jr.

counsel of record do hereby certify:

☒ Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs;

☒ Relief other than monetary damages is sought.

DATE: 9/23/11

J. Peter Shindel, Jr.  
Attorney-at-Law

201554

Attorney I.D.#

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: 9/23/11

J. Peter Shindel, Jr.  
Attorney-at-Law

201554

Attorney I.D.#

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**CASE MANAGEMENT TRACK DESIGNATION FORM**

Kamian Schwartzman	:	CIVIL ACTION
	:	
v.	:	
	:	
JOMAC, LLC, et al.	:	NO.

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a Case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a Case Management Track Designation Form specifying the track to which that defendant believes the case should be assigned.

**SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:**

- (a) Habeas Corpus – Cases brought under 28 U.S.C. § 2241 through § 2255. ( )
- (b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits. ( )
- (c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ( )
- (d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ( )
- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) ( ☒ )
- (f) Standard Management – Cases that do not fall into any one of the other tracks. ( )

<u>9/23/11</u> <b>Date</b>	<u>J. Peter Shindel, Jr.</u> <b>Attorney-at-law</b>	<u>Plaintiff</u> <b>Attorney for</b>
<u>(215) 320-6200</u> <b>Telephone</b>	<u>(215) 981-0082</u> <b>FAX Number</b>	<u>JPS@Pietragallo.com</u> <b>E-Mail Address</b>

**NOTE REGARDING ANCILLARY NATURE OF PROCEEDING**

Pursuant to Paragraph 30 of the Order Establishing Receivership Estate (attached to the within Complaint as Exhibit B), this case is ancillary to *Securities and Exchange Commission v. Robert Stinson, Jr., et al.*, No, 10-cv-03130, assigned to the Honorable Berle M. Schiller. The U.S. District Court for the Eastern District of Pennsylvania has exclusive jurisdiction over this matter.

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

KAMIAN SCHWARTZMAN, in his capacity as  
Receiver FOR the Receivership Estate Established by  
the Order entered September 13, 2010 in *S.E.C. v.  
Robert Stinson, Jr., et al.*, Civil Action No. 10-03130  
(BMS),

Plaintiff,

v.

JOMAC, LLC  
A Colorado Limited Liability Company,

PINNACLE WEALTH GROUP, INC.  
A California Corporation,

REALE PARTNERS, LLC  
A California Limited Liability Company,

MICHAEL P. MCNAMARA  
An Individual,

JOHN H. STAIANO  
An Individual,

BRAD PETERSON  
An Individual,

JACOB COOPER  
An Individual, and

GARY EARLE,  
An Individual,

Defendants.

CIVIL ACTION NO.

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**RECEIVER'S ANCILLARY COMPLAINT**

Receiver Kamian Schwartzman ("Receiver"), by and through his counsel, Pietragallo  
Gordon Alfano Bosick & Raspanti, LLP, hereby files this Ancillary Complaint against JOMAC,

LLC (“JOMAC”), Pinnacle Wealth Group, Inc. (“Pinnacle”), Reale Partners, LLC (“Reale Partners”), Michael McNamara (“McNamara”), John Staiano (“Staiano”), Brad Peterson (“Peterson”), Jacob Cooper (“Cooper”), and Gary Earle (“Earle”) (collectively, the “Defendants”). In support of this Complaint, the Receiver states as follows:

### INTRODUCTION

1. This action is brought pursuant to the September 13, 2010 Order Establishing Receivership Estate entered by the Honorable Berle M. Schiller in the underlying action brought by the Securities and Exchange Commission (“S.E.C.”) against Defendants Robert Stinson, Jr. (“Stinson”); Life’s Good, Inc.; Life’s Good STABL Mortgage Fund, LLC; Life’s Good High Yield Mortgage Fund, LLC; Life’s Good Capital Growth Fund, LLC; IA Capital Fund, LLC; and Keystone State Capital Corporation (collectively, the “S.E.C. Defendants”), as well as Relief Defendants First Commonwealth Service Company; Susan L. Stinson; Christine A. Stinson; Michael G. Stinson; and Laura Marable (collectively, the “S.E.C. Relief Defendants”) (S.E.C. Defendants and S.E.C. Relief Defendants collectively known hereafter as the “Source Entities”), styled *Securities and Exchange Commission v. Robert Stinson, Jr., et al.*, Civil Action No. 10-03130 (“*Stinson*”). See Document Nos. 1 and 29 in *Stinson*.

2. The Receiver was appointed by separate Order on September 13, 2010. See Document No. 30 in *Stinson*.

3. The S.E.C.’s underlying action arose out of the fraudulent scheme Stinson operated through certain of the Source Entities from approximately 2006 through June 29, 2010, when the S.E.C. filed its Complaint and requested a temporary restraining order and an order freezing the assets of the Source Entities. Ultimately, between July 12, 2010 and July 23, 2010,

the Source Entities all entered into Orders by consent granting the S.E.C. a preliminary injunction and freezing the assets of the Source Entities.

4. On June 20, 2011, the Court entered summary judgment against the Source Entities and found, *inter alia*, that Robert Stinson, Jr. operated Life's Good, Inc. and the Life's Good Funds as a Ponzi scheme. *See Stinson*, 2011 WL 2462038 at \*4.

5. Beginning as early as 2006, Stinson raised at least \$16 million from more than 140 investors, selling purported "units" in Life's Good STABL Mortgage Fund, LLC; Life's Good High Yield Mortgage Fund, LLC; Life's Good Capital Growth Fund, LLC; and IA Capital Fund, LLC (collectively, the "Life's Good Funds"). *See id.*; *see also* Document No. 1 in *Stinson* ¶¶ 1-2.

6. Between April 2009 and May 2010 – just prior to the filing of the S.E.C.'s Complaint – Stinson swindled over \$12 million from investors. *See id.*; *see also* Document No. 1 in *Stinson* ¶ 4.

7. Between January 8, 2009 and June 16, 2010, Defendant JOMAC received at least \$550,237.12 from Life's Good, Inc. and the Life's Good Funds, all via wire transfer. JOMAC did not provide reasonably equivalent value to Life's Good, Inc. or the Life's Good Funds in exchange for the transfers it received.

8. Between January 8, 2009 and June 29, 2010, JOMAC distributed approximately \$450,000.00 to the other Defendants named herein. These distributions were made without reasonably equivalent value received by JOMAC itself, let alone Life's Good, Inc. or the Life's Good Funds, and the Defendants were unjustly enriched by these payments. The Receiver's investigation into the exact amount received, directed, and/or induced by the Defendants from all

of the Source Entities, as well as to the recipients of transfers from JOMAC who have not been specifically named in this action, remains ongoing.

9. The Order Establishing Receivership Estate empowers and obligates the Receiver to take control of all the assets of the Source Entities including monies, securities, choses in action, and properties, real and personal, tangible and intangible, of whatever kind and wherever situated (the “Receivership Property”). *See* Document No. 29 in *Stinson* ¶¶ 1, 5. The Receiver is further obligated, pursuant to the Order Establishing Receivership Estate, to use reasonable efforts to determine the nature, location and value of all Receivership Property, take such action as necessary to preserve the value of Receivership Property, and enter and secure any premises, with the assistance of the United States Marshals Service if necessary, in which Receivership Property or Receivership Records may be located. *See id.* ¶ 20.

10. In order to secure receivership property for the benefit of investors and to otherwise carry out his duties as delineated by the Court, the Receiver brings this Complaint against Defendants.

### PARTIES

11. Plaintiff Kamian Schwartzman is vested by the Order Establishing Receivership Estate as a representative of this Court with the full powers of an equity receiver. *See* Document Nos. 29 and 30 in *Stinson*.

12. JOMAC is a limited liability company organized and existing under the laws of the State of Colorado. JOMAC’s registered address is 400 S. Colorado Boulevard, Denver, CO 80246. JOMAC’s *de jure* managers and *alter egos* are Michael McNamara and John Staiano.

13. Pinnacle is a corporation organized and existing under the laws of the State of California. Pinnacle’s registered address is 8880 Rio San Diego Drive, Suite 350, San Diego,



CA 92108. Pinnacle's registered agent for service of process is "SoCal Accounting, Inc.," which has a registered address of 16870 West Bernardo Drive, Suite 400, San Diego, CA 92127. On information and belief, Pinnacle's *alter ego* is Jacob Cooper.

14. Reale Partners is a limited liability company organized and existing under the laws of the State of California. Reale Partners' registered address is 3705 ½ Crane Place, San Diego, CA 92103. Reale Partners' registered agent for service of process is Legalzoom, Inc. On information and belief, Reale Partners' *alter ego* is Gary Earle.

15. McNamara is an adult individual who resides at 4600 S. Ulster Street, Denver, CO 80237, and is the *alter ego* of JOMAC.

16. Staiano is an adult individual who is located at 400 S. Colorado Boulevard, Suite 610, Denver, CO 80246. Staiano is the *alter ego* of JOMAC.

17. Peterson is an adult individual who, on information and belief, resides in Colorado and who is employed by or otherwise associated with JOMAC.

18. Cooper is an adult individual who, on information and belief, resides in San Diego, CA. On information and belief, Cooper is the *alter ego* of Pinnacle.

19. Earle is an adult individual who, on information and belief, resides in San Diego, CA. On information and belief, Earle is the *alter ego* of Reale Partners.

#### **JURISDICTION AND VENUE**

20. This Court has ancillary jurisdiction over this action pursuant to 28 U.S.C. § 1367, which provides jurisdiction over the Receiver's state-law claims, and which also confers jurisdiction over the Receiver's entire Complaint, given that the Receiver brings this action to accomplish the objectives of the Order Establishing Receivership Estate entered in *Stinson* and as such this action forms part of the same case or controversy.

21. This Court is further vested with jurisdiction by the Order Establishing Receivership Estate, which vests exclusive jurisdiction of all Receivership Property in this Court, and which requires that all actions related to Receivership Property or Records to be filed in this Court. *See* Document No. 29 in *Stinson*, ¶¶ 1, 30.

22. Finally, this Court has jurisdiction pursuant to 28 U.S.C. §§ 754 and 1692. The Receiver has filed certified copies of the Order Establishing Receivership Estate and Order Appointing Receiver with the United States District Court in each Federal district. Accordingly, the Receiver is vested with complete jurisdiction and control of any real and/or personal property of the Receivership Estate located in any Federal district, and has the right to take possession of such property, as well as personal jurisdiction over all Defendants properly served under the Federal Rules of Civil Procedure and 28 U.S.C. §§ 754 and 1692.

23. Venue is proper in this Court pursuant to 28 U.S.C. §§ 754, 1391(b) and 1692.

24. Joinder of the Defendants and the individual claims against each Defendant in this action is appropriate under Rule 20 of the Federal Rules of Civil Procedure, because (a) each and every claim in this action arises out of the same series of transactions, and (b) questions of both fact and law common to all Defendants will arise in this action.

**JOMAC’S, STAIANO’S, AND MCNAMARA’S  
RELATIONSHIP WITH THE LIFE’S GOOD FUNDS**

25. In 2009, JOMAC, Staiano, and McNamara (the “JOMAC Defendants”) entered into agreements with Life’s Good, Inc. and the Life’s Good Funds through which the JOMAC Defendants would receive a 7% “finder’s fee” for each investment placed with the Life’s Good Funds, as well as 10% of the net profit from each Life’s Good Fund.

26. Given this arrangement, in order for the Life’s Good Funds to have actually made, after expenses, the 10% to 16% returns to investors that the Life’s Good Funds touted – claimed

returns of which the JOMAC Defendants were aware – the Life’s Good Funds would have had to have generated in excess of a 20% to 25% actual return on investment.

27. The JOMAC Defendants knew or should have known that such returns were improbable in 2009, given that the Life’s Good Funds purported to be private equity real estate funds, the real estate investment bubble had burst in 2008, and the entire country was then in the midst of a severe real estate downturn; perhaps the worst such downturn in U.S. history.

28. Indeed, since the JOMAC Defendants, as part of their fee agreement with Life’s Good, Inc. and the Life’s Good Funds, undertook the duty to review the performance of the Life’s Good Funds on a daily basis, the JOMAC Defendants had actual knowledge that the claimed returns were fraudulent.

29. The JOMAC Defendants entered into agreements with Earle, Cooper, Peterson, and PDFP to share in the fees paid out of the Life’s Good investments.

30. The JOMAC Defendants agreed to pay Earle 4.5% of any funds directed to the Life’s Good Funds as a result of his efforts.

31. The JOMAC Defendants agreed to pay Cooper a \$15,000.00 initial retainer and \$12,500.00 monthly for “consulting services.”

32. On information and belief, the JOMAC Defendants agreed to pay Peterson 7% of any funds directed to the Life’s Good Funds as a result of his efforts.

33. The JOMAC Defendants paid PDFP \$10,400.00 out of the funds JOMAC received from Life’s Good, Inc. and the Life’s Good Funds.

34. Earle, Cooper, Peterson, and PDFP knew, should have known, or were reckless in not knowing, of: (1) JOMAC’s 7% finder’s fee arrangement; (2) the touted Life’s Good Funds’ returns of 10%-16% after expenses; and (3) the conditions of the real estate market that rendered

it improbable for such returns to be legitimate.

### **THE FRAUDULENT TRANSFERS**

35. On January 1, 2009, the JOMAC bank account held only \$60.99. On January 8, 2009, the Life's Good STABL Mortgage Fund, LLC (the "STABL Fund") transferred \$8,750.00 to JOMAC. On January 30, 2009, the STABL Fund wired an additional \$17,500.00 to JOMAC.

36. Including those two transfers, between January 8, 2009 and June 29, 2010 (when the Stinson's Ponzi scheme was shut down by the Securities and Exchange Commission), Life's Good, Inc. and the Life's Good Funds wired \$550,237.12 to JOMAC. Because Stinson was running Life's Good, Inc. and the Life's Good Funds as a Ponzi scheme, the transfers to JOMAC were made with the intent to defraud.

37. Despite these transfers, only \$15,287.92 remained in the JOMAC account as of June 30, 2010. In other words, JOMAC quickly transferred the "finder's fees" it received from Life's Good, Inc. and the Life's Good Funds to the other Defendants named herein, or otherwise disposed of the funds.

38. Specifically, the Defendants named below received the benefit of funds from JOMAC in the aggregate amounts indicated below:

<b>Defendant</b>	<b>Amount Received from JOMAC</b>
Staiano	\$212,642.71
McNamara	\$101,769.63
Cooper/Pinnacle	\$69,384.00
Peterson	\$50,085.91
Earle/Reale	\$15,975.00
<b>Total</b>	<b>\$449,857.25</b>

The specific amount and date of each transfer for each recipient named above is reflected in the chart showing all of JOMAC's cash flows attached hereto as Exhibit A. The Receiver's investigation into the approximately \$100,000.00 received by JOMAC from Life's Good, Inc. and the Life's Good Funds but not distributed from JOMAC to the defendants named above remains ongoing, and the Receiver reserves the right to join additional defendants to this action should his investigation uncover evidence of additional fraudulent transfers.

### **THE SHAM NATURE OF THE CORPORATE DEFENDANTS**

39. JOMAC is the *alter ego* of McNamara and Staiano, as evidenced by, *inter alia*, the facts that: (1) on information and belief, McNamara and Staiano control JOMAC; (2) on information and belief JOMAC is undercapitalized relative to the business in which it seeks to engage and disregarded corporate formalities; (3) JOMAC was used to perpetuate a fraud as alleged herein; and (4) McNamara and Staiano treated assets of JOMAC as though they were assets of their own, as evidenced by, *inter alia*, the May 13, 2009 transaction in which the STABL Fund transferred \$51,254.00 to JOMAC, which was immediately transferred out of the JOMAC account for a "Staiano In payment." See May 2009 bank records (attached hereto as Exhibit B).

40. Pinnacle is the *alter ego* of Cooper, as evidenced by, *inter alia*, the facts that: (1) on information and belief, Cooper controls Pinnacle; (2) on information and belief Pinnacle is undercapitalized relative to the business in which it seeks to engage and disregarded corporate formalities; (3) Pinnacle was used to perpetuate a fraud as alleged herein; and (4) Cooper commingled his assets with those of Pinnacle. For instance Cooper signed a consulting agreement with JOMAC in his personal capacity, only to have all payments allegedly related to Cooper's consulting wired to Pinnacle's account.

41. Reale is the *alter ego* of Earle, as evidenced by, *inter alia*, the facts that: (1) on information and belief, Earle controls Reale; (2) on information and belief Reale is undercapitalized relative to the business in which it seeks to engage and disregarded corporate formalities; (3) Reale was used to perpetuate a fraud as alleged herein; and (4) Earle commingled his assets with those of Reale. For instance Earle signed a fee-sharing agreement with JOMAC in his personal capacity, only to have all payments allegedly related to the agreement wired to Reale Properties' account.

**COUNT I – ACTION TO AVOID FRAUDULENT TRANSFER**  
**(Against all Defendants)**

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42. The Receiver incorporates Paragraphs 1-41 as if set forth fully at length herein.

43. Life's Good, Inc. and the Life's Good Funds transferred funds for the benefit of Defendant JOMAC between January 2009 and June 2010, which transfers totaled at least \$550,237.12.

44. All transfers of the assets of Life's Good, Inc. and/or the Life's Good Funds to, for the benefit of, or at the request of JOMAC were fraudulent transfers.

45. Because Stinson operated Life's Good, Inc. and the Life's Good Funds as a Ponzi scheme, all transfers of assets from Life's Good, Inc. or the Life's Good Funds to, for the benefit of, or at the request of JOMAC were made with the actual intent to hinder, delay and/or defraud any of Life's Good, Inc.'s and/or the Life's Good Funds' creditors and/or debtors, and are fraudulent.

46. When the transfers were made to JOMAC, Stinson was operating Life's Good, Inc. and the Life's Good Funds as a fraudulent scheme intending to incur, or believing or reasonably believing that the Life's Good entities would incur, debts beyond their ability to pay them as they became due.

47. When the transfers were made to JOMAC, Life's Good, Inc. and the Life's Good Funds had actual assets that were unreasonably small in relation to the assets invested with them by their investors.

48. The transfers to Defendant JOMAC were unreasonable in that Stinson, Life's Good, Inc. and the Life's Good Funds failed to receive reasonably equivalent value in exchange for the funds provided to JOMAC.

49. Defendant JOMAC did not accept the transfers of funds from Life's Good, Inc. or the Life's Good Funds in good faith.

50. The Receiver is entitled to avoid the fraudulent transfers of assets from Life's Good, Inc. and the Life's Good Funds to, for the benefit of, or at the request of Defendant JOMAC to inure to the benefit of the Receivership Estate and in order to maximize the recovery available to defrauded investors.

51. Defendants Staiano, McNamara, Cooper, Peterson, Earle, Pinnacle, and Reale received assets of Life's Good, Inc. and the Life's Good Funds from JOMAC from January, 2009 through at least June 30, 2010.

52. Staiano, McNamara, Cooper, Peterson, Earle, Pinnacle, and Reale are therefore "subsequent transferees" as that term is used in 12 Pa. C.S. § 5101, *et seq.*

53. None of the subsequent transferees provided reasonably equivalent value to JOMAC, Life's Good, Inc., or the Life's Good Funds.

54. None of the subsequent transferees took the transferred funds in good faith.

55. The Receiver is thus entitled to, among other remedies, the avoidance of the transfers from JOMAC to the subsequent transferee Defendants named above.

56. Staiano, McNamara, Cooper, Peterson, and Earle, are personally liable for the subsequent transfers to their corporate *alter egos* because the corporate form was used to perpetuate a fraud and/or defeat a rightful claim, and holding the individual defendants personally liable will lead to an equitable result.

WHEREFORE, Plaintiff Kamian Schwartzman, in his capacity as Receiver for the Receivership Estate established by Order entered September 13, 2010 in *S.E.C. v. Robert Stinson, Jr., et al.*, Civil Action No. 10-03130 (BMS), respectfully requests this Court enter a judgment in his favor and against Defendants JOMAC, Staiano, McNamara, Cooper, Peterson, Earle, Pinnacle, and Reale avoiding and setting aside the \$550,237.12 or more in transfers made by Life's Good, Inc. and the Life's Good Funds, directly or indirectly, through initial or subsequent transfers, to the Defendants. To the extent the funds have been used to acquire real or personal property in which Defendants claim an interest, the Receiver also seeks a constructive trust and/or equitable lien over those assets or alternatively, recovery of the asset(s) purchased with Receivership Property. The Receiver also requests interest, costs, and such other and further relief as this Court shall deem just and proper.

**COUNT II – UNJUST ENRICHMENT**  
**(Against all Defendants)**

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57. The Receiver incorporates Paragraphs 1-56 as if set forth fully at length herein.

58. Life's Good, Inc. and the Life's Good Funds conferred a benefit on Defendants, directly or indirectly, through the transfers described herein.

59. Defendants knowingly and voluntarily accepted and retained the benefits conferred upon them, directly or indirectly, by Life's Good, Inc. and the Life's Good Funds, to which they had no legitimate claim.



60. Under the factual circumstances as alleged herein, it would be inequitable for Defendants to retain the benefits conferred upon them by Life's Good, Inc. and the Life's Good Funds, as the funds transferred to the Defendants as specifically described herein and/or as subsequently discovered were the product of a Ponzi scheme and were comprised of monies paid into the Ponzi scheme by innocent investors, who were unaware of the scheme being orchestrated by Stinson. In addition, Defendant JOMAC obtained the benefits from Life's Good, Inc. and the Life's Good Funds under false pretenses in the first instance, and then proceeded to distribute the funds transferred to it by Life's Good, Inc. and the Life's Good Funds to various third parties in exchange for inadequate consideration or value.

WHEREFORE, Plaintiff Kamian Schwartzman, in his capacity as Receiver for the Receivership Estate established by Order entered September 13, 2010 in *S.E.C. v. Robert Stinson, Jr., et al.*, Civil Action No. 10-03130 (BMS), respectfully requests this Court enter a judgment in his favor and against Defendants in an amount of at least \$550,237.12, to be determined more fully after discovery and at trial. To the extent the funds have been used to acquire real or personal property in which Defendants claim an interest, the Receiver also seeks a constructive trust and/or equitable lien over those assets or alternatively, recovery of the asset(s) purchased with Receivership Property. The Receiver also requests interest, costs, and such other and further relief as this Court shall deem just and proper.

**COUNT III – EQUITABLE ACCOUNTING**  
**(Against all Defendants)**

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61. The Receiver incorporates Paragraphs 1-60 as if set forth fully at length herein.

62. Defendants have gained possession, custody and/or control of Receivership Property as a result of the fraudulent transfers and unjust enrichment alleged above.

63. The benefits accruing to Defendants consist of direct transfers of funds, in-kind asset transfers, indirect transfers, and other, similar actions as alleged herein.

64. The accounts involved are mutual and/or complicated, as alleged herein.

65. The Receiver is obligated to recover all Receivership Property for the benefit of the Receivership Estate, and has no adequate remedy at law to ensure the return of all such property fraudulently or unjustly transferred into the possession, custody or control of Defendants absent the grant of an equitable accounting.


66. To the extent the Receiver prevails on his claim for unjust enrichment, he is entitled to an equitable accounting as a matter of law.

WHEREFORE, Plaintiff Kamian Schwartzman, in his capacity as Receiver for the Receivership Estate established by Order entered September 13, 2010 in *S.E.C. v. Robert Stinson, Jr., et al.*, Civil Action No. 10-03130 (BMS), respectfully requests this Court enter a judgment in his favor and against Defendants and orders all Defendants to provide Plaintiff with an accounting of any and all property they have received, directly or indirectly, from the Life's Good Funds or other Source Entities, an accounting of their current assets and liabilities, relevant financial statements, and an accounting of all transfers of Defendants' assets since January 1, 2009, and any and all other relief this Court deems just and proper.

Respectfully submitted,

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By:

  
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